

## A Note From Paul Hoffmann



It was certainly great to hear from some of you at our recent “virtual” 2021 Shareholders Meeting. While I wish we could have met in person, I am glad things seem to be getting back to normal in Dane County as we are getting more people vaccinated against the COVID virus. I hope this means I will be able to see you in person next year at our 2022 Annual Shareholders Meeting. Drinks will be on me.

For those of you not able to attend our meeting, I want to share some of the highlights we discussed. First, I am pleased to announce our board authorized a cash dividend for Q1/2021 of \$0.21 per share, per quarter (\$0.84 annualized), which is 11% higher than last year’s annual rate. This dividend will be paid on May 7, 2021 to shareholders of record as of April 20, 2021. Dividends are approved quarterly at the discretion of the board based on bank performance. I am also happy to share that Peter Gunderson, Nancy Kiefer, and myself were reelected to serve a three-year term on our board.

Monona Bank had our best performance in the history of our bank in 2020. Monona Bankshares grew to more than \$1 billion in assets last year and achieved record earnings, both in total dollars and on a per share basis. Net income for the year was \$10.3 million (up 16% over 2019) and earnings per share was \$3.51. The primary reasons for these positive variances were increases in our mortgage lending, the Paycheck Protection Program (PPP) loans we originated, and our overall balance sheet growth. Compared to 2016, the year before our merger, our bank’s earnings per share have increased by 76%. In just the past four years since we acquired MCB, Monona Bankshares has earned \$10.66 per share, or 26% of our past 30 years of earnings, and this includes the charges taken as part of the merger.

And I have more good numbers to share. Compared to 2019, our assets increased by 12%, to \$1.1 billion, loans increased 12%, and deposits increased by 15% (up \$120 million), year-over-year. Our recent stock sales are averaging around \$45.00 per share, a 7% increase over 2019 and up 64% since 2016. When you look back to the founding of our Bank thirty years ago, the increase in the value of the shares, along with dividends paid to shareholders, add up to a total return of 1,236%, or 41% per year! Overall, I think you would agree that we have done very well for our shareholders.

We will continue to update you on how your bank is doing in future quarterly updates. Please note that we have posted the information from our recent Shareholders Meeting on our new Monona Bankshares web site, which you can access at: [www.mononabankshares.com](http://www.mononabankshares.com). We have also included contact information on the back of this newsletter if you have any questions about your investment.

As always, thank you for your investment in our bank. Enjoy the warm weather!

Paul Hoffmann

## Dividend Update

Monona Bankshares, Inc. announces its first dividend for 2021 of \$0.21 per share. This dividend is payable on May 7, 2021 to shareholders of record as of April 20, 2021. On an annualized basis, this dividend is \$0.84 per share.

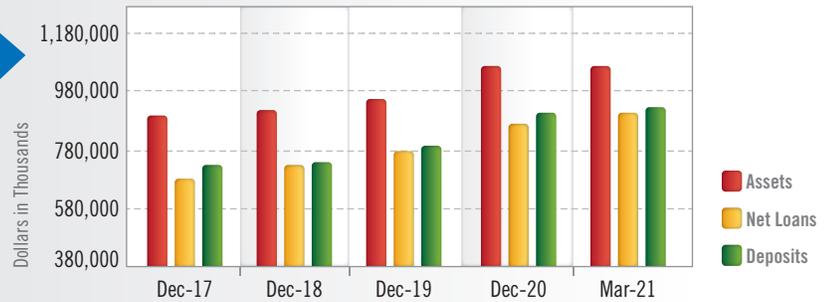
For shareholders in our Dividend Reinvestment Plan (DRIP), the purchase price of additional shares is \$38.20 (up from \$32.07/share a year ago). If you are not enrolled in our DRIP, your dividend check is enclosed. **If you are not currently enrolled in our DRIP but would like to take advantage of this convenient way to purchase additional shares, contacts are listed on the back.**



> Strength in neighbors.

## ASSETS, NET LOANS AND DEPOSITS

- Assets total \$1.07 billion; 13% in growth since Mar-20
- Net loans \$911.0 million; 16% in growth since Mar-20
- Deposits \$923.7 million; 20% growth since Mar-20
- Growth impacted by PPP originations



## PER SHARE DATA

- The Dividend Reinvestment valuation amount is \$38.20 per share
- 2020 Dividend Payout Ratio was 23%; Dividend as percent of book value is 2.2%
- Dividend is being paid at an annualized rate of \$0.84 per share, 5% increase over 2020 dividend
- Total shares outstanding of 2,980,745 as of March 2021 reflects 3 for 1 stock dividend paid May 2019

## BOOK VALUE PER SHARE

- Book value includes issuing 826,664 shares for the Middleton transaction
- Book value has increased 37% since Dec-2016
- 65% of Shareholders participate in dividend reinvestment plan



Year	Total Shares Bought/Sold	High	Low
2020	21,233	\$45.00	\$41.00
2019	23,934	\$42.00	\$35.00
2018	42,136	\$36.25	\$33.75
2017	56,536	\$36.25	\$26.25
2016	42,432	\$26.25	\$23.54

## STOCK INFORMATION

Have questions about your stock?  
 Interested in buying or selling shares?  
 Want to enroll in the dividend reinvestment plan (DRIP)?

PLEASE CONTACT:

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